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other by-products of the meat industry, and including also tropical foods, cane sugar, coffee, cacao, fruits, etc.) to the United States were greater than the exports to Great Britain, Germany and France combined. After the close of the war (1919), France remained at about the same proportion and the United States and Great Britain to-

not and is not nearly so great. Although on the export side it took more of South American industrial raw material and tropical foods than did England and twice as much as did Germany, yet it was behind England in the whole export field and only 25 per cent ahead of Germany, and on the import side it was behind both countries.

#### SOUTH AMERICAN INTERNATIONAL TRADE

##### *Exports to (000 omitted)*

|           | United States | Great Britain | Germany   | France    |
|-----------|---------------|---------------|-----------|-----------|
| 1913..... | \$222,225     | \$281,988     | \$162,026 | \$104,971 |
| 1919..... | \$760,546     | \$518,410     | .....     | \$299,232 |

##### *Imports from (000 omitted)*

|           | United States | Great Britain | Germany   | France   |
|-----------|---------------|---------------|-----------|----------|
| 1913..... | \$167,523     | \$285,555     | \$188,900 | \$89,520 |
| 1919..... | \$563,457     | \$270,923     | .....     | \$47,599 |

gether had taken over exports to Germany increasing their proportions to this extent but not changing their relative standing to each other, about 2 to 1.

On the import side before the war (1913) for the twenty countries, the United States and Great Britain ran nearly together (United States, \$331,000,000; Great Britain, \$323,000,000) with German about two-thirds of the British, and French one-half the German trade. At the close of the war, imports from the United States stood three and one-half times the imports from Great Britain (1919, United States, \$1,011,548,000; Great Britain, \$294,313,000).

The preponderance of the United States in South American trade was

The German trade for 1919 was inconsiderable and in many cases not statistically differentiated.

Allowance must be made in comparing the figures of 1913 and 1919 for advances in prices. On a quantity basis 222 millions and 760 millions of exports compare about 1 to 2. So in imports 167 and 563 represent, not 1 and  $3\frac{1}{2}$ , but about 1 and  $2\frac{1}{4}$ .

Since the war South America has exported a much larger percentage of its products to the United States, and it also has exported more to England and to France. But it has decreased its imports from the last mentioned countries and makes up the difference in very much larger imports from the United States.

## British Foreign Trade Promotion

By P. HARVEY MIDDLETON

Assistant Manager, International Trade Department, Guaranty Trust Company of New York

**A**N increase of seventy-eight per cent in total British exports for the ten months ended October, 1920,

is eloquent testimony to the efficiency of the machinery for the promotion of foreign commerce which has been

quietly created by the British Government and the British trader during the past few years. Powerful organizations, aided by numerous subsidiaries, with headquarters in London, and with branches, agencies or traveling representatives abroad, coöperating with British banks overseas and with government "trade scouts," are making life interesting for their foreign competitors.

An excellent example of these new organizations is the British Trade Corporation, formed in 1917 for the expansion of British trade in every part of the world, and for the granting of long term loans to exporters. The British Trade Corporation has created a network of subsidiary companies which are operating successfully in the Near East, Latin America, Africa, the Balkans and Russia. Among these subsidiaries and affiliations may be mentioned the Trade Indemnity Company, which insures foreign credits; the South Russia Banking Agency; the Portuguese Trade Corporation; the Anglo-Brazilian Commercial and Agency Company; the Levant Company; J. W. Whittall and Company, of Constantinople, and the National Bank of Turkey. The British Trade Corporation is doing business either directly or through subsidiaries in South Russia, Brazil, Portugal, Jugoslavia, Rumania, Bulgaria, Mesopotamia, Greece, Egypt, Turkey, Asia Minor and the Sudan.

Another new British organization is the Anglo-Danubian Association for the promotion of trade between the Austro-Hungarian Succession States and Great Britain and her allies. The P. and O. Banking Corporation, with branches in all the ports reached by the P. and O. steamship lines, the Anglo-Baltic and Meriterranean Bank, the British Overseas Bank, the Anglo-South American Bank, the National

Bank of South Africa and similar British banks in other parts of the world, provide adequate banking facilities, credit and trade information. The African and Eastern Trade Corporation (now merged with the soap firm of Lever Brothers) is a recent amalgamation of a number of British firms which have been identified with the African trade for many years. This corporation now operates a chain of trading stations across the African continent, and in Syria, Palestine, Persia, Rumania, Bulgaria, Malaysia, Egypt and China.

The temporary elimination of German competition in China during the war was an incentive to increased efforts for the extension of British trade in China. As a result of conferences in Peking some months ago, followed by largely attended meetings in the London headquarters of the Federation of British Industries, a Chinese-British Trade Corporation has been formed to develop industrial and other undertakings in China. Under the charter granted by the Chinese Government, British traders will be able for the first time to develop industrial areas in China outside the treaty ports. The creation of this new corporation may well prove to be a landmark in British relations with the great Chinese Republic.

The chief rôle of the corporation will be to provide the organization, skilled management, business methods and knowledge of foreign markets which the Chinese lack. The Chinese on their part will supply capital (of which the mandarin and merchant classes have large reserves), knowledge of local conditions, mining and other rights and political influence. The corporation will have four Chinese and four British directors, all with equal voting power, to be elected by the shareholders. The corporation

will enjoy obvious advantages in the matter of cheap raw materials and labor. From the purely British point of view, it might seem undesirable to educate and organize Chinese industries for the manufacture of articles which would perhaps compete with British goods in the markets of the world. It was felt, however, that if British manufacturers hesitated to establish branch factories in China it was certain that Japanese, American and German manufacturers would do so. It is believed that every British controlled factory in China will serve as a valuable feeder for British trade in other directions.

The Federation of British Industries is the latest and most important development of the Trade Organization movement in the United Kingdom. For many years past the manufacturers in many of the leading industries of the country have experienced the advantages to be gained by coöperation and association for the protection of their common interests in organizations devoted to their particular trades. The exigencies of war-time conditions added impetus to this movement and led to a large increase in the number of trade associations, with the result that practically every industry and the majority of trades within each industry now have associations to assist and foster the manufacture of British goods.

For this scheme of organization to be complete, it was seen that British manufacturers and producers required the coördinating assistance of a national association, which would concentrate and weld together the efforts which each trade exerted through its trade association, so that manufacturers might be enabled to speak and act in a manner commensurate with their strength and importance. The national needs during the war, and,

still more, the problems which would have to be faced when the war was over necessitated the formation of a strong central organization, representative of British manufacturers and producers as a whole.

These considerations led to the inauguration of the Federation of British Industries in the summer of 1916. The support of the leading manufacturers and producers in the country was at once given to the new body, and it rapidly succeeded in establishing itself as the only organization which could claim to represent the views of the manufacturing section of the community as a whole. In the short period of four years, it has enrolled no fewer than thirteen hundred direct members, including some two hundred trade associations, and is in direct or indirect touch with at least twenty thousand British manufacturers, covering every industry in the country. The Federation is governed by a grand council of two hundred and eleven members, including the leading men in all industries.

This large membership has been accelerated by the absorption in the Federation of other bodies having similar or cognate objects. Early in 1917, the Employers' Parliamentary Association merged its identity in that of the Federation. Twelve months later, the Central Council of Associations of Controlled Establishments—an organization formed to watch the interests of firms which were under government control during the war—handed over its functions to the Federation of British Industries, and on the conclusion of the war, the Overseas Organization of the Federation absorbed the British Manufacturers' Corporation, an organization of three hundred firms which had been established to develop British trade in foreign countries.

The organization abroad consists of commissioners in Greece, Turkey, the East Indies, Spain, Portugal, Algeria, Brazil, Scandinavia, Italy, Holland, Australia, New Zealand and Canada. In addition, there are correspondents in Argentina, France, Cuba, Mexico, Finland, South China, Japan and Egypt. While it is a private organization, there is scarcely a subject of industrial interest dealt with by the British Government upon which the assistance of the Federation is not sought. Among its other activities, the Federation organizes exhibitions of British goods in foreign countries, such as the Athens Exhibition in 1919; invites foreign delegations such as the missions from Yugoslavia, Czechoslovakia, Chile, Spain, etc., to visit England as guests of the Federation, and takes them on a tour of the principal cities. The Federation compiles an Export Register which contains classified lists of its members.

There is at the present time in every important branch of industry in the United Kingdom an increasing tendency to the formation of trade associations and combinations, having for their purpose restriction of competition and the control of prices. Many British associations have already been formed, which deal with raw materials or intermediary products, and there are others which have to do with finished goods. These associations occupy a prominent position in the iron and steel, ship-building, electrical, chemical, soap, tobacco, silk, salt, cement and textile industries.

Sir R. V. Vassar Smith, Chairman of Lloyd's Bank, expressed the opinion of the British bankers toward this movement in a speech in which he declared that:

The day of small industries on individual lines is gone. Our manufacturers and traders must organize for united effort.

This will have the closest bearing on questions of finance. An unstable unorganized industry is the despair of bankers. An industry organized on large lines has seldom lacked financial support in England.

The various committees of the British Board of Trade, formed to investigate specific trades, all urged the necessity for powerful industrial combinations.

In order to render the best possible service to British traders under the changed conditions resulting from the war, a new government department known as the Department of Overseas Trade was formed in 1918 by the British Foreign Office and the British Board of Trade jointly. The function of the department is to assist and advise the British commercial and industrial community in the work of reconstruction and the promotion of foreign trade. It is represented in every quarter of the globe, from the remote islands of the Pacific to Paris and New York. The overseas service is divided into main parts, one of which, the Trade Commissioner Service, deals with the British Empire. There are trade commissioners in Canada, Newfoundland, Australia, New Zealand, South Africa, East Africa, India, British West Indies, and in the Straits Settlements. Closely associated with them in their work are the imperial trade correspondents, who are located at important centers throughout the Dominions and other British possessions. In foreign countries the department is represented by the Commercial Counsellors and Secretaries, and by the consular officers, who are located at practically every port and important commercial center throughout the world.

Special efforts are made by the Department of Overseas Trade to assist and entertain important foreign visitors to England. For example, the brother of the King of Siam and the

Commissioner of Siamese State railroads were conducted recently by an officer of the department to a number of important plants throughout England; as a result, substantial orders have been placed. Representatives of the "Hangya" Coöperative Wholesale Society of Budapest arrived in England in August, 1920, to make purchases on behalf of the Hungarian Minister of War. They bought two hundred and fifty thousand yards of khaki cloth valued at £140,000. Due to the efforts of the British Trade Commissioner, the representatives of an important British electrical company, who had recently visited New Zealand, secured the first and most important post-war contract placed by the New Zealand Government for the first section of railroad to be electrified.

It has been well said that, while to

other countries foreign trade is a convenience or a luxury, to England it is an absolute necessity. In only one of the raw materials vital to her industries—coal—is there a surplus in the United Kingdom. All the others—ores, fibers, timber and oils, as well as cereals and meats—Great Britain is obliged to import either wholly, or in the greater proportion, and the necessity for paying for them requires a large and ever-increasing export trade. Great Britain is today determined to recapture the trade won from her in pre-war days by the Germans, and, although she is compelled to resume her financial and industrial rôle with enormously increased burdens, she takes up the commercial struggle with the great advantage of having to learn very little about the conditions under which it can be successfully prosecuted.

## The Revival of Belgian International Trade

By HARRY T. COLLINGS, PH.D.

University of Pennsylvania, Former United States Trade Commissioner of Belgium

THE opening of the world war in 1914 found Belgium actively engaged in international trade. With an area one-fourth that of Pennsylvania, Belgium was the most densely populated country in the world, if one compares entire countries only. For decades before the war the population had been increasing at the rate of about one per cent a year, with a policy generally avowed of relying less and less on their native soil for support and development.

Foreign trade is and has been the life blood of Belgium. For years before the war the people gave increasingly less attention to agriculture and more to manufacture. No other country depends so largely upon its manufacturing industries. It must export to

live. The kingdom is poorly endowed with raw materials; nevertheless, the road to national prosperity seemed to lie in the direction of manufacturing products for exportation, while increasingly larger quantities of food-stuffs were imported. In the calendar year 1913, Belgian per capita imports amounted to \$127.59 and exports to \$94.85, which may be compared with our per capita imports of \$17.94 and exports of \$24.66 for the fiscal year 1913.

Briefly, it may be said that Belgium imported coal, ores, cotton, wool, hides, rubber, lumber and chemicals, and turned them into products more or less finished. Germany was the best customer, followed in order by France and Great Britain; these three countries